UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

AUG 20 2012

REPLY TO THE ATTENTION OF:

E-19J

Stephanie Strength
U.S. Department of Agriculture
Rural Development, Rural Utilities Service
1400 Independence Avenue SW
Mail Stop 1571, Room 2244
Washington, D.C. 20250-1571

Re: **Final Environmental Impact Statement for Hampton-Rochester-La Crosse Transmission System Improvement Project, Minnesota and Wisconsin – CEQ No. 20120232**

Dear Ms. Strength:

The U.S. Environmental Protection Agency (EPA) has reviewed the Final Environmental Impact Statement (EIS) prepared by the U.S. Department of Agriculture (USDA), Rural Utilities Service (RUS) for the Hampton-Rochester-La Crosse 345 kV Transmission Line Project. The U.S. Army Corps of Engineers (USACE) and U.S. Fish and Wildlife Service (USFWS) are cooperating agencies. EPA conducted this review pursuant to our authorities under the National Environmental Policy Act (NEPA), Council on Environmental Quality regulations (40 CFR Parts 1500-1508), Section 309 of the Clean Air Act, and Section 404 of the Clean Water Act.

In December 2011, Dairyland Power Cooperative (Dairyland) applied for financial assistance from RUS to construct approximately 124-148 miles of 345 kV transmission line and related facilities between Hampton, Minnesota and La Crosse, Wisconsin (the proposal). The proposal also includes construction of two connecting 161 kV lines in the Rochester, Minnesota area, with a total length of 44-49 miles. The stated purpose of the proposal is to: 1) improve community reliability of the transmission system in Rochester, Winona, La Crosse and surrounding areas; 2) improve regional reliability of the transmission system; and 3) increase generation outlet capacity.

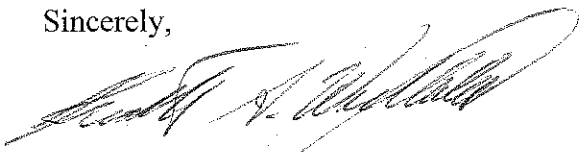
In our February 13, 2012 comment letter, EPA rated the Draft Environmental Impact Statement (EIS) as **Environmental Objections - Insufficient Information (EO-2)**. The rating was based on potential impacts of proposed alternatives to wetlands and wildlife refuges and insufficient

documentation of information. In the Draft EIS comment letter, EPA rated all the proposed and alternative routes for both Minnesota and Wisconsin, because a preferred alternative was not selected. The Draft EIS did not fully evaluate and characterize environmental impacts, nor did it define or illustrate the scope of the project as a whole. EPA's Draft EIS comment letter focused on environmental concerns of routes having adverse impacts to the Upper Mississippi River National Wildlife and Fish Refuge (UMRNW&FR), particularly the Black River Bottoms area. Our letter also expressed concerns regarding the purpose and need, alternatives evaluation, wetland and terrestrial resource impacts, mitigation, cumulative impacts analysis, and the overall lack of substance and clarity in the draft documents.

EPA appreciates that RUS has selected a preferred route that avoids the Black River Bottoms . However, we continue to have concerns regarding potential adverse environmental impacts and the preferred route selection. The enclosed comments address areas where we recommend that the Record of Decision (ROD) should include a detailed characterization of impacts, and mitigation measures that would further reduce impacts.

Thank you for considering our recommendations to reduce environmental impacts resulting from this project. We request a copy of the Record of Decision when it is issued. We are available to discuss these comments at your convenience. Please feel free to contact me at (312) 886-2910, or Shanna Horvatin of my staff at (312) 886-7887 or via e-mail at horvatin.shanna@epa.gov.

Sincerely,



Kenneth A. Westlake, Chief
NEPA Implementation Section
Office of Enforcement and Compliance Assurance

Enclosures: USEPA Detailed Comments

cc: Thomas Melius, Regional Director, U.S. Fish and Wildlife Service
Kevin Foerster, Refuge Manager, UMRNW&FR, U.S. Fish and Wildlife Service
David Studenski, USACE-St. Paul District

US EPA Detailed Comments

USDA Rural Utilities Service – Final Environmental Impact Statement Hampton-Rochester-La Crosse Transmission System Improvement Project, Minnesota and Wisconsin

August 20, 2012

Alternatives Analysis/Preferred Route

Based on our review of the Final EIS, EPA understands that the Q1-Galesville Route is the RUS preferred route for Segment 4. RUS maintains options that involve all sections of the Q1 line except for the Black River Bottoms. The Q1 line from Alma to Holmen still has potential negative environmental impacts. While the Final EIS describes the northern 12 miles of this section of the route as having "poor" scenic value according to the Wisconsin Department of Transportation (WisDot), the remaining 50 plus miles have the potential for negative environmental impacts to visual, wetland, avian and habitat. EPA asks that additional rationale for the preferred route selection be presented in the ROD with consideration towards the remaining prospective impacts.

Substations

The Chester Substation and the Briggs Road Substation have been chosen as the preferred locations for substations, but final configurations of these sites have not been described. EPA recommends that RUS quantify the impacts related to substations in the ROD and outline mitigation measures for any associated habitat losses in the ROD.

Wetlands and Aquatic Resources

Based on EPA's review of the Final EIS, we recommend that the following information be provided in the ROD:

- Expected acreage of regulated wetland impact for:
  - Permanent impacts
  - Temporary impacts
  - Wetland conversion (from forested to non-forested wetland)
- A summary of proposed wetland mitigation for all regulated wetland impacts, to include:
  - Mitigation ratio(s)
  - Potential location of mitigation (and name of mitigation bank(s))
  - A narrative description of potential mitigation

Page 330 of the Final EIS indicates that mitigation ratios for wetland conversion (from forested to non-forested) will be 0.25:1 or 0.50:1. In order to meet requirements laid out in the EPA/USACE 2008 Mitigation Rule (Compensatory Mitigation for Losses of Aquatic Resources (40 CFR 230; 33 CFR 332), all mitigation ratios should be, at a minimum, 1:1.

Present Environment and Effects of Alternatives – State Listed Species

Table 2-4 lists Minnesota species that may be found within the 150 foot - ROW for routes 1P and 1A. We recommend that the ROD include a clear description of impacts to state-listed species for all selected route segments.

Mitigation Measures

Based on impacts identified by RUS for consideration in the Final EIS, we recommend that the following mitigation measures be committed to in the ROD.

- Span all stream and river crossings to reduce impacts to wetlands, floodplains, and associated habitat. Impacts to native vegetation communities and rare species can also be minimized and/or avoided by spanning.

- Incorporate the best management plans (BMPs) as listed in the Air Quality Impacts section of EPA's comments on the Draft EIS to reduce risk to construction workers, communities, and sensitive populations.

- Collaborate with USFWS, WDNR, and the MnDNR to protect avian species from collision with power lines to the fullest extent possible. This would include installing flight diverters in all habitat types suggested by the agencies (e.g., marshy wetlands to protect great blue herons) as well as in high quality wetland areas as referenced in Section 3.5.2.4, Birds and Other Wildlife Resources, of the Final EIS.

- Section 3.5.3.4, Birds and Other Wildlife Resources, indicates that Edison Electric Institute's Avian Power Line Interaction Committee (APLIC) guidelines to minimize bird collisions may be revised in the near future. We recommend RUS incorporate revised measures from the guidelines to the fullest extent possible for the life of the proposed project.

- Work with USFWS, WDNR, and the MnDNR to refine the Vegetation Management Plan (VMP) described in Section 3.5.3.2, Invasive Species and Noxious Weeds as follows:
    - Address periodic maintenance as well as construction activities.
    - Expand the VMP to include mitigation for tree loss.
        - The USFWS, WDNR, and the MnDNR can assist in the selection of suitable native tree species to replant at appropriate ratios and locations to mitigate for permanent impacts to quality habitats.

- In Section 3.4, Acoustic Environment, the Final EIS indicates that HUD and Minnesota noise standards will be utilized. We recommend RUS comply with Federal and state noise BMPs during blasting and operational phases. This includes noise monitoring and contingent noise mitigation measures to reduce impacts to construction workers.

- Minimize impacts to the Great River Road Scenic Byway view-shed by working with WDNR and WisDOT.